

**MSC INDUSTRIAL DIRECT CO., INC.**  
**Compensation Committee Charter**  
**(As amended)**

**I. PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of MSC Industrial Direct Co., Inc. (the “Company”) is to assist the Board in discharging its responsibilities relating to compensation of the Company’s executives and directors. The Committee is directly responsible for:

- reviewing and approving corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer;
- evaluating the Chief Executive Officer’s performance in light of those goals and objectives;
- determining and approving the Chief Executive Officer’s compensation level based on the Committee’s evaluation of his or her performance;
- setting the compensation levels of all of the Company’s other executive officers, including with respect to incentive compensation plans and equity-based plans of the Company;
- recommending to the Board the compensation of the non-employee directors; and
- preparing a Compensation Committee report on executive compensation to be included in the Company’s annual proxy statement.

The Committee also administers the Company’s equity incentive plans.

The Committee annually will undertake an evaluation of its performance and report the results of such evaluation to the Nominating and Corporate Governance Committee.

The Committee shall review this Charter on an annual basis, and submit any recommended changes to the Board for approval.

**Authority to Retain Advisers; Funding.** In the course of its duties, the Committee will have access to the Company’s Human Resources, legal and accounting staffs and other personnel as it deems necessary to carry out its responsibilities. In addition, the Committee will have sole authority, at the Company’s expense, to engage and terminate outside compensation consultants, independent legal counsel and other advisers as the Committee deems advisable, with respect to the evaluation of director, Chief Executive Officer or executive compensation or other matters, including the sole authority to approve the consultant’s, legal counsel’s or other adviser’s fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company must provide for appropriate

funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.

## **II. COMPOSITION**

The Committee shall be comprised of two or more directors. Each director on the Committee will have such qualifications as the Board determines and shall meet the independence requirements of the New York Stock Exchange and any other applicable laws, including rules promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (the “Exchange Act”). In addition, each member of the Committee shall qualify as a “non-employee director” as defined in Rule 16b-3 under the Exchange Act, and as an “outside director” under Section 162(m) of the Internal Revenue Code.

The Board will appoint the members and the Chairman of the Committee based on recommendations made by the Company’s Nominating and Corporate Governance Committee. Committee members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

## **III. RESPONSIBILITIES**

In addition to the purposes and responsibilities set forth elsewhere in this Charter, the Committee shall have the following responsibilities:

- to determine, in consultation with the Board, the goals and objectives of the Company’s executive compensation programs; to review and evaluate such programs to determine whether such programs are achieving their intended objectives; and to make, in consultation with the Board, any appropriate modifications or changes to the Company’s executive compensation programs based on such review and evaluation;
- in consultation with the Board, to oversee and approve all compensation matters relating to, and set the compensation levels of, the Company’s named executive officers (as disclosed in the Company’s annual proxy statement) and all of the Company’s other executive officers and senior officers;
- to periodically review and discuss the Company’s equity or omnibus incentive compensation plans, and based on such review and discussion, approve changes to such equity or omnibus incentive compensation plans (other than changes that would require shareholder approval) and take such actions in respect to such equity or omnibus incentive compensation plans as the Committee deems appropriate, all as permitted by the terms of such equity or omnibus incentive compensation plans;
- to evaluate, and make recommendations to the Board with respect to the approval and adoption of, new equity or omnibus incentive compensation plans as well as changes to existing equity or omnibus incentive compensation plans that would require shareholder approval;

- to supervise the Company’s administration of the Company’s equity or omnibus incentive compensation plans, and exercise all rights, powers and authority reserved to the Committee under the provisions of the equity or omnibus incentive compensation plans. The Committee shall be responsible for:
  - Granting equity or other awards to eligible individuals, including executive officers; and employees, and recommending to the Board equity awards for non-employee directors;
  - Interpreting the equity or omnibus incentive compensation plans and agreements thereunder;
  - Determining acceptable forms of consideration for stock acquired pursuant to the equity or omnibus incentive compensation plans; and
  - Approving or recommending to the Board for approval, guidelines for the grants of equity compensation awards under the Company’s equity or omnibus incentive compensation plans;
- to periodically review and discuss the Company’s annual incentive bonus plan, and based on such review and discussion, approve changes to such annual incentive bonus plan and take such actions in respect to such plan as the Committee deems appropriate;
- to approve awards and payouts under non-equity incentive compensation plans for each officer of the Company who is a participant under any such plan;
- annually, to review and assess risks associated with the Company’s compensation policies and practices for employees;
- to annually review and discuss with management the Company’s compensation discussion and analysis report, and make a recommendation to the Board regarding the inclusion of the compensation discussion and analysis report in the Company’s proxy statement or Annual Report on Form 10-K;
- to annually review and approve a compensation committee report for inclusion in the Company’s proxy statement or Annual Report on Form 10-K; and
- to review and approve any employment arrangements for the Chief Executive Officer and other executive officers, and to review and recommend to the Board for approval any change in control agreements, or severance plans or agreements-with the Chief Executive Officer and any other executive officers.

**Independence of Compensation Consultants and Other Advisers.** Except as otherwise provided in the Commentary to Section 303A.05(c)(iv) of the NYSE Listed Company Manual, the Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The foregoing shall not be construed to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, independent legal counsel or other adviser to the Committee, or to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

#### **IV. ADMINISTRATIVE**

The Committee shall meet at least four times per year and shall hold any additional meetings as may be called by the Chairman of the Committee or a majority of the members of the Committee. Members of senior management or others may attend meetings of the Committee at the invitation of the Committee and shall provide pertinent information as necessary. The Chairman of the Committee shall set the agenda of each meeting and arrange for the distribution of the agenda, together with supporting material, to the Committee members prior to each meeting. The Chairman will also cause minutes of each meeting to be prepared and circulated to the Committee members. The Committee may meet via telephone conference calls. A majority of the members of the Committee shall constitute a quorum for all purposes. When appropriate, the Committee may form, and delegate authority to, subcommittees.

The Committee shall report regularly to the Board as to its activities.